



PRESENTATION

Class description: The objective of the course is to introduce the basic concepts and tools of macroeconomic analysis. In this course, the student will learn how to use different economic models to analyze and understand current economic issues. The course starts with a discussion of how to build and interpret the main data we use for macroeconomic analysis. It then presents the functioning of the economy and the causes and consequences of inflation. The course concludes with the study of the model of aggregate demand and supply, and a discussion of the causes and policy implications of short-run fluctuations. The program addresses major issues in the agenda of policy makers, including inflation, unemployment, growth, etc.

- **Type:** Compulsory (Economics)
- **ECTS:** 6
- **Language:** English
- **Módulo y materia de la asignatura:** ADE bilingue: Modulo V. Economía / Materia V.I Economía; Economía bilingue: Modulo I. Economía general / Materia I.2 Macroeconomía.
- **Professors:** Rafael Garduño Rivera (rgarduno@unav.es)
- **Office hours:** Fridays, 12 to 14hs.; or at any time appointed by email. Room: 2530 (Torre, Amigos)
- **Classes:**
 - **Lectures:** Tuesdays, 12 to 14hs. Aula 10 (Amigos) | Thursday, 8 to 10hs. Aula 01 (Amigos)

LEARNING OUTCOMES (Competencies)

Basic Competencies (Management and Economics)

BC1. Students must demonstrate that they possess and understand knowledge in an area of study based on a general secondary school education whose content often comes from advanced textbooks, but also includes cutting-edge knowledge in this field of study.

General competences (Management and Economics)

GC1. To be familiar with different areas of the theory and/or application of economic analysis.

Specific competences (Economics)

SC1. To be familiar with the fundamental concepts and methods of economic theory.

SC3. To use the concepts, theories and models of economic theory to assess the reality of the economic context

Specific competences (Management)

CE17. To explain the value generated by an economic activity for each agent involved in it

PROGRAM



In blue you can see the chapters of the Mankiw and Taylor (M&T) book relative to each chapter of the syllabus.

SYLLABUS

PART 1. Introduction

Chapter 1. Scope of economic analysis and models (M&Taylor 2) | (Mankiw 2)

PART 2. The Data in Macroeconomics

Chapter 2. Measuring a Nation's Income (M&Taylor 20) | (Mankiw 23)

- The Economy's Income and Expenditure
- How to Measure Gross Domestic product (GDP)
- The Components of GDP

Chapter 3. Measuring the Cost of Living (M&Taylor 21) | (Mankiw 24)

- The Consumer Price Index
- Real versus Nominal variables

PART 3. The Real Economy in the Long-Run

Chapter 4. Production and Growth (M&Taylor 22) | (Mankiw 25)

- Economic Growth around the World
- Productivity: Role and Determinants
- Solow growth model

Chapter 5. The Financial System (M&Taylor 24) | (Mankiw 26)

- Financial Institutions
- Saving and Investment in the National Accounts
- Budget Deficit and Debt Sustainability

Chapter 6. Unemployment (M&Taylor 23) | (Mankiw 28)

- Population Groups and Unemployment Rate
- Types and Causes of Unemployment
- Labour Market Ratios and Income per Capita

PART 4. Money and Prices in the Long-Run

Chapter 7. The Monetary System (M&Taylor 26) | (Mankiw 29)

- What is Money?
- Central Banks, Commercial Banks and Monetary Policy

Chapter 8. Inflation: Causes and Costs (M&Taylor 27) | (Mankiw 30)

- What Causes Inflation: the Classical Theory of Inflation
- Costs and Benefits of Inflation

PART 5. Short Run Economic Fluctuations



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Chapter 9. Aggregate Demand and Supply

(M&Taylor 31_32) | (Mankiw 33)

- Key Facts about Short-Run Economic Fluctuations
- The IS-LM Model
- The Aggregate Demand Curve
- The Aggregate Supply Curve

Chapter 10. Effectiveness of Economic Policy on the Demand (M&Taylor 33) | (Mankiw 34)

- Stabilization: Fiscal and Monetary Policies
- Discretionary Policy versus Policy by Rules

PART 6. The Macroeconomics of Open Economies

Chapter 11. Open Economy Macroeconomics

(M&Taylor 28_29) | (Mankiw 31)

- The International Flows of Goods and Capital
- The Prices for International Trade: Real and Nominal Exchange Rates
- Fixed and Floating Exchange Rate Regimes.

EDUCATIONAL ACTIVITIES

- First week: a survey on *Economic Rationality*
- Third week: Glossary exam
- Five Problem Sets: submission in due time over the term
- Midterm exam
- Debate on economic policies.

GRADING

As any other discipline in the field of economic theory, the study of Macroeconomics must be gradually done. Comprehension and capacity of analysis are more important than memory. Experience teaches that students who work on a regular basis get the best results. Thus, the evaluation system encourages the students to attend the lectures and to study consistently. The final grade is calculated based on:

- **Glossary Exam** - *Basic Concepts*: 10% of the final grade
- **Ongoing Evaluation** - *Problem Sets and Seminars*: 20%
- **Mid-term Exam**: (up to) 20% of the final grade
- **Final Exam**: (at least) 50% of the final grade

The type of questions of the exams will be explained in the lectures. To pass the course a score of 45/100 is required on the final exam. The same evaluation system will be applied to the second call exam (June).

OFFICE HOURS

Pedro García del Barrio:

- Tuesday, 12 to 14hs. or at any time appointed by email (pgbarrio@unav.es)
- Room: 3080 (Torre, Edificio Amigos).



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BIBLIOGRAPHY

Main Reference

- **Mankiw, G.** and **Taylor, M.P.** (2014): «Economics», 3rd Ed. Cengage Learning (ISBN-13: 9781408093795). [Find it in the Library](#)

- **Mankiw, G.** (2018): «Principles of Economics», 8th Ed. Cengage Learning (ISBN-13: 978-1305585126). [Find it in the Library](#)

Complementary References

- **Mankiw, G.** (2018), 10th Ed.: «Macroeconomics». Worth Publishers, New York. (ISBN-13: 978-1429240024).
- **Dornbusch, R.; Fisher, S.** and **Startz, R.** (2020), 12th Ed.: «Macroeconomics». McGraw-Hill Education (ISBN-13: 978-1259070969).
- **Blanchard, O.** (2020), 8th Edition: «Macroeconomics». Pearson Education Limited (ISBN-13: 978-1292351476).
- **Parkin, Michael.** Macroeconomics. 11ed. Pearson, 2014